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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/758,239

Filing Date: January 12, 2001

Appellant(s): LANDESMANN, MARK

William T. Ellis (Registration No. 26,874)

For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 12/02/2005 appealing from the Office action mailed 11/03/2004.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

No amendment after final has been filed.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

US 5,855,008	Goldhaber et al.	12-1998	
US 5,515,270	Weinblatt	05-1996	
US 6,484,146	Day et al.	11-2002	
US 6,298,330	Gardenswartz et al	02-2001	
US 5,717,923	Dedrick	02-1998	
US 6,317,718	Fano	11-2001	(as support for Official Notice)
US 5,502,636	Clarke	03-1996	(as support for Official Notice)

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US 5,285,278	Holman	02-1994	(as support for Official Notice)
US 5,249,044	Von Kohorn	09-1993	(as support for Official Notice)

dictionary.reference.com/search?q=interface (dictionary.com definition of “interface”)

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims Rejections. 35 U.S.C. 102

1. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

2. **Claims 181, 183, 185-188, 192-198 are rejected under 35 U.S.C. 102(e) as being anticipated by Day, US 6484146, hereinafter Day.**

Summary of Day:

Day discloses presenting specialized benefits based on actual purchasing behavior information (abstract). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers (col. 1 l. 50-55; col.2 l. 13-15; col. 2 l. 12+). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal (col. 1 l. 60-col.2 l. 2).

Thus Day discloses:

Claim 181. A computer-implemented advertising method, comprising:

1) identifying a distribution limit (see at least col. 14 lines 52-56, col. 6 lines 57-60: “maximum limit”)and,

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2) a different incentive function (see at least col.4 lines 18-31, use of “targeting parameters” to derive an incentive implies use of an certain incentive function or relationship to link the parameter to the incentive) associated with each of a plurality of advertisers;

3) deriving at least one score for each of a first plurality of buyer entities (see at least col.4 lines 18-31, “targeting parameter” is interpreted as a score), wherein the at least one score: is calculated/updated based on at least one of an entry of a (new) purchase record, (see at least col.7 line 66- col. 8 line 37: Day’s disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data.)

4) for each of a second plurality of the buyer entities, selecting a plurality of incentives, with each of the incentives associated with at least one different advertiser, based on the at least one score and the incentive function (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60),

wherein the selecting of each of the incentives includes determining an amount of the incentive level (interpreted as an incentive amount) based at least in part on the incentive function (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60), associated with the advertiser who is associated with the incentive;

5) determining a particular distribution priority associated with each of the incentives for each of the buyer entities based at least in part on the at least one score (see at least col. 14 lines 52-56; col. 6 lines 57-60: when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changed) and

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6) distributing a plurality of the incentives (see at least Figure 1, item 24 and associated text; col. 4 line 66+), with each incentive distributed based on its associated distribution priority for the buyer entity (see at least col. 14 lines 52-56; col. 6 lines 57-60: when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changes).

Claim 183 (dependent on claim 181).

Day further discloses the at least one score is calculated based on data received from the associated buyer entity and the data corresponds to purchase records.
(see at least col. 4 lines 18-31, “targeting parameter” is interpreted as a calculated score based on data received indirectly from the buyer based on the quantity of goods bought, per categories, which is interpreted as “purchase records”).

Claim 185 (dependent on claim 181).

Day discloses the incentives are distributed via a plurality of distribution channels (see at least col. 5 lines 2-4).

Claim 186 (dependent on claim 181).

Day further discloses the incentives are selected using at least one threshold (see at least col. 4 lines 18-31, “targeting parameter” as a quantity bought of a certain product category is interpreted as threshold).

As to claims 187, 188 (dependent on claim 181) wherein the data comprises at least 3 of :
entry of POP’s (Day, abstract), information that incentive has been accepted (see at least col. 7 line 66- col. 8 line 30) , information of follow-up purchase with purchase date/location (see at least col. 7 line 66- col. 8 line 30).

Claim 192 (dependent on claim 181).

Day further discloses the distribution priority is determined based on at least one of a date, a time, the budget limit, and previous buyer entity responses (see at least col. 14 lines 52-56; col. 6 lines 57-60).

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Claim 193 (dependent on claim 181).

Day further discloses an interface provides access for the advertisers to a database of database information related to the buyer entities (see at least col. 3 line 65-col. 4 line 31).

Claim 194 (dependent on claim 193).

Day further discloses the interface receives queries and provides the database information in response to the queries (see at least col. 3 line 65-col. 4 line 31).

Claim 195 (dependent on claim 194).

Day further discloses decisions are capable of being made regarding the incentives based on the database information (see at least col. 3 line 65-col. 4 line 31).

Claims 196 and 197, which parallel method claim 181 in computer program and system formats are rejected on the same basis.

Claim 198.

The features of claim 198 which are common to those of method claims 181, 194, 195, addressed above, are rejected on the same basis.

Further Day discloses .. the at least one score being updated based on at least three of an entry of a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases (see at least col. 7 line 66- col. 8 line 30: Day's disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data. Further the monitored redemption of offers constitutes all 3 types of data : a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases).

Claims Rejections. 35 U.S.C. 103

3. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

4. Claims 182 are rejected under 35 U.S.C. 103(a) as being unpatentable over Day as applied to claim 181 in view of Goldhaber, US 5855008, hereinafter Goldhaber.

Note: Goldhaber discloses:

A consumer driven system (i.e. consumer owns the profiles : col 14 l. 56-60; col 6 l. 28-35; consumer shares these profiles as desired: col 8 l. 40-57), via trading houses (see col 19-20) , for the benefit of both consumers and advertisers (col 4 l. 25-31).

The benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured w/ relevant customized ads/offers. GOLDHABER further discloses actual purchase histories (or proofs of purchases, hereinafter, "POP's") are known to be valuable for advertisers: to this end advertisers have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER .'s invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

GOLDHABER discloses user voluntary submission of profiles in exchange of a benefit from plural competing independent providers(col 8 l. 1-18; receipt of targeted information, specialized targeted ads (col 6 l. 28-35; col 8 l. 22-40), payments for viewing ads); complementing the profile by allowing tracking of on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; col 13-20; col 7 l. 31-32) and tracking of other habits (col 6 l. 50-65) ; interactive user editing/ deletion of transaction records from the profile (col 6 l.

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50-65); protection of privacy (col 7 l. 62-67; col 14 l. 137-39); interacting with presented ads (col. 16 l. 17-20) ; rating of presented ads (col. 13 l. 50-51); matching of consumers to advertisers criteria (col 14 l. 30-46); consumer profiles stored at their PC or in another database of the on-line system (col 14 l. 47-54); only information matched above certain threshold set by the consumer is delivered (col 14 l. 56-62); coupons and discount offers to induce buying (col 3 l. 30-45); internet advantages (col 3 l. 48-55); credit histories as commodities (col 20 l. 38-55).

Claim 182 (dependent on claim 181)

Day does not disclose

allowing the buyer to disable the receiving of said data if said data not received directly from the buyer, however GOLDHABER does (see GOLDHABER at least col.6 lines 50-65: interactive user editing /deletion of transaction records from profile).

It would have been obvious to one skilled in the art at the time the invention was made to add GOLDHABER to Day to allow submission of POP's by the user directly into the incentive matching. system as taught by GOLDHABER

5. Claims 184, 189, 220-223 are rejected under 35 U.S.C. 103(a) as being unpatentable over Day.

Claim 184 (dependent on claim 181).

Day does not specifically disclose the at least one score is indicative of a probability that the associated buyer entity will become a customer of the advertisers. However Day discloses "targeting parameter", interpreted as a calculated score, based on actual purchases as discussed above (see at least col.4 lines 18-31). Further Day discloses evaluating (scoring) a customer's loyalty to a competitor based on his/her quantity and/or frequency of purchases from the competitor (see at least col.4 lines 18-31: e.g. buying "80% of the time") with the intent of

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offering specific incentives to entice such customers away from the competitor (see at least col. 4 lines 13-31). In view of these Day teachings, it would have been obvious to one of ordinary skill in the art, at invention time, to add calculating the probability that the buyer may become a customer of the advertisers (for example a “80% of a time buyer” may be viewed as a 20% potential switcher) to Days’ teachings because such probability expressions would be just another way to express the “target parameters” as taught by Day, based on which to fashion such specific incentives, also as taught by Day.

Claim 189 (dependent on claim 181).

Day does not specifically disclose the incentives are selected manually. In view of Day’s teachings of automatic selecting/dispensing of incentives, it would have been obvious to one of ordinary skill in the art, at invention time, to revert to the slower process of doing all these steps manually, if the system lacks the capability to so process automatically. The result is the same, as expected, albeit slower, thus the claim cannot be patentable.

As to claims 220-223 (dependent on claims 181, 196-197, 198), Day does not directly disclose the distribution limit being a monetary budget limit. However it is obvious behind a coupon distribution limit is a monetary coupon expenses limit justifying the quantity limit. Thus it would have been obvious to one skilled in the art at the time the invention was made to add a monetary limit to the distribution limit as a logical derivative of the Day’s disclosure.

6. Claim 199 is rejected under 35 U.S.C. 103(a) as being unpatentable over Day in view of Gardenswartz et al, US 6298330 B, hereinafter Gardenswartz.

Claim 199 (dependent on claim 198)

Day discloses the database information includes information received from the buyer entities, (via the store computers) (see at least col. 3 line 65-col. 4 line 31). Day does not specifically disclose that specific names of customers are not released to advertisers. However, Gardenswartz discloses protecting consumer identities from advertisers while allowing targeting based on anonymous profiles (col. 13 l. 44-51). It would have been obvious to one of ordinary

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skill in the art, at invention time, to add that Gardenswartz's teaching to Day in order to protect the customers' privacy as taught by Gardenswartz.

7. Claims 191, 201-202 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhaber, US 5855008, hereinafter Goldhaber, in view of Weinblatt, US 5515270, hereinafter Weinblatt, and further in view of Day, US 6484146, hereinafter Day.

Goldhaber discloses:

A consumer driven system (i.e. consumer owns the profiles : col 14 l. 56-60; col 6 l. 28-35; consumer shares these profiles as desired: col 8 l. 40-57), via trading houses (see col 19-20) , for the benefit of both consumers and advertisers (col 4 l. 25-31).

The benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured w/ relevant customized ads/offers. GOLDHABER further discloses actual purchase histories (or proofs of purchases, hereinafter, "POP's") are known to be valuable for advertisers: to this end advertisers have used point of sale tracking (see GOLDHABER ., col 6 l. 28-35), and GOLDHABER .'s invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

GOLDHABER discloses user voluntary submission of profiles in exchange of a benefit from plural competing independent providers(col 8 l. 1-18; receipt of targeted information, specialized targeted ads (col 6 l. 28-35; col 8 l. 22-40), payments for viewing ads); complementing the profile by allowing tracking of on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; col 13-20; col 7 l. 31-32) and tracking of other habits (col 6 l. 50-65) ; interactive user editing/ deletion of transaction records from the profile (col 6 l. 50-65); protection of privacy (col 7 l. 62-67; col 14 l. 137 -39); interacting with presented ads (col. 16 l. 17-20) ; rating of presented ads (col. 13 l. 50-51); matching of consumers to advertisers criteria (col 14 l. 30-46); consumer profiles stored at their PC or in another database

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of the on-line system (col 14 l. 47-54); only information matched above certain threshold set by the consumer is delivered (col 14 l. 56-62); coupons and discount offers to induce buying (col 3 l. 30-45); internet advantages (col 3 l. 48-55); credit histories as commodities (col 20 l. 38-55).

Thus as to claims 191, 201-202, GOLDHABER discloses

A method comprising:

receiving information from each of a plurality of buyer entities comprising demographic information;

receiving from each of the buyer entities second information associated with one web-browsing input;

electronically storing such information

for a plurality of product or service items offered for sale, electronically deciding on and facilitating offering an incentive in exchange for a purchase action.

As to wherein the manufacture, marketing, distribution, and payment and providing of such products are not carried out by the system in the ordinary course of business. arguably GOLDHABER does not specify such.

(However GOLDHABER discloses a distributed system with many servers (col 8 l.20-39, especially l. 30-33). therefore the POP's could be interpreted as being not generated by the matching/incentives delivering system. Further, at col 7 l. 31-32, GOLDHABER discloses automatic tracking of the user previous Internet usage to complement her profile, which at least suggest *any* internet usage/transaction, i.e. not limited to the matching/incentives delivering system.

Further, Weinblatt, discloses several data collection methods for marketers who desire to collect actual purchase histories. One is via a bar code reading apparatus, (col 1 l. 56+); another is via in- store computer systems (col 2, l. 13+), a third is via a home unit wherein proofs of purchases (POP's) are scanned by the consumer and the different purchase items categorized and

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used to trigger rewards (col 4 l. 59+). Weinblatt also discloses that people are interested to directly and voluntarily submit their POP's in exchange for rewards (col 4 l. 59+).

As discussed above, GOLDHABER discloses, through his system, the benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers. GOLDHABER further discloses "POP's" are valuable for advertisers who have used point of sale tracking (see GOLDHABER., col 6 l. 28-35), and GOLDHABER.'s invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

It would have been obvious to one of ordinary skill in the art, at invention time, to add WEINBLATT's teaching of directly submitting POP's by scanning into a home unit to GOLDHABER's system of voluntary submission of profiles including POP's profiles, because the consumer would be interested in obtaining highly competitive offers based on POP's (a kind of reward or benefit), as taught by GOLDHABER. Further, it would have been obvious to one of ordinary skill in the art at invention time to incorporate the WEINBLATT's POP's submission method into GOLDHABER's system in view of WEINBLATT's teaching that this is another and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36).

8. Claims 203-204, 209-218 are rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhaber, in view of Weinblatt, as applied to claims 201-202 and further in view of Day, US 6484146, hereinafter Day.

As to claims 203-204, as to "said benefit not normally and publicly accessible to said buyer entity or other buyer entities in the same geographic region on terms which are at least objectively equivalent" GOLDHABER does not directly disclose such.

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However, Goldhaber discloses specialized targeted advertisements from each of the plurality of said different third party advertisers, (abstract, col 8 l. 35-40: highly targeted advertising; col. 6l. 28-35; col 8 l. 22-40).

Further Day discloses presenting customized preferential specialized benefits based on actual purchasing behavior information (abstract). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers (col 1 l. 50-55; col 2 l. 13-15; at col 2 l. 12). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal (col. 1 l. 60-col 2 l. 2).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to add Day's teachings of very differentiated customized special offers based on actual purchasing behavior information (Day, col 8 l. 1-15) to Goldhaber's teaching of voluntary supplying of POP's to provide very differentiated competitive offers and better induce purchasing based on specific monitored behaviors as taught by Day.

Further, as to "said benefit do not include material conditions that are different from said at least one action", a coupon usually requires only purchase of the item as the one condition, thus "said benefit do not include material conditions that are different from said at least one action".

As to claims 205-208 (dependent on claims 201-204),
wherein the making at least one decision further includes :

determining a function and distribution-related limit associated with one of the incentives based in part on information received from an advertiser

receiving newly-submitted purchase records of the buyers with condition precedent that the function and distribution-related limit has been determined;

making a new decision regarding the offering,

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said new decision based at least in part on the function, the distribution-related limit.
and the newly-submitted purchasing records;
distributing the incentive based at least in part on the new decision; and
halting the distribution when the distribution-related limit is met.

GOLDHABER does not specifically disclose but Day discloses obtaining additional information on whether the buyer entity made a follow-up purchase or a co-purchase contemporaneous with or after accepting the incentive and inputting the additional information to be stored. (monitoring of redemption of offers, and updating of profiles (Col. 14 l. 52-64, Fig 12-14; claims 15, 22). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber is to determine the effect of the special offers on consumer buying behaviors and adjust offers accordingly as taught by Day.

As to claims 209-212 (dependent on claims 201-204), GOLDHABER discloses wherein the making at least one decision further includes providing access to potential-audience-information containing at least part of the data or information derived from the data to at least one of the third party advertisers via an interactive user interface (see at least col. 4 lines 25-31 ; col. 19-20),

receiving audience and incentive-definition-information from third party advertisers,
selecting/presenting output-information to the advertisers
based on the potential audience-information, the audience and
incentive-definition-information,
receiving parameter information from the third party advertisers,
and making the at least one decision in part based on the parameter
information (see at least col. 14 lines 30-46).

As to claims 213-214, Official Notice is taken that targeting based on location of a user wireless device is known before Appellant's invention time thus it would have been obvious to

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one skilled in the art at the time the invention was made to add basing the incentive decision on the location of wireless device because directing consumers to relevant businesses proximal to their current locations is effective marketing.

As to claims 215–218 (dependent on claims 201-204), re. distribution of the incentive via interactive TV, Official Notice is taken that such incentive distribution method is well-known. It would have been obvious to one skilled in the art at the time the invention was made to add distribution of the incentive via interactive TV to the system of Goldhaber to extend the methods of distribution.

9. Claim 219 is rejected under 35 U.S.C. 103(a) as being unpatentable over Goldhaber, in view of Weinblatt and Day, as applied to claims 201-202 and further in view of Dedrich, 5717923.

As to claim 219 (dependent on claim 204) Dedrich discloses calculating price for offering the incentive based on information stored about the buyer (see at least col. 5 lines 20-30:) It would have been obvious to one skilled in the art at the time the invention was made to add Dedrich to Goldhaber and Weinblatt to allow charging the advertisers appropriately as taught by Dedrich.

The following response to remarks on page 2 of the last Office Action is also an integral part of the grounds of rejection.

“Response to Remarks

4. Arguments as to claim 181:

1) Regarding a "different incentive function", no specific definition for such is pointed out, contrary to argument. Thus the broadest reasonable interpretation rule applies. The examiner notes that a different incentive function to calculate a particular amount is disclosed in Day at col. 3 lines 33, especially col. 4 lines 18-31. Indeed, the use of "targeting parameters" to derive an incentive of varying amounts implies use of an certain incentive function or relationship to link the parameter to the calculation of the incentive amounts.

2) Appellants argue that the distribution priorities are calculated after a threshold decision has been made to distribute a given set of incentives. However claim 181 does not state that in particular. For better readability, claim 181 is analyzed below with numbers added to the various steps. Nothing in claim 181 requires that step 5) "electronically determining a particular distribution priority" necessarily has to follow step 4) of deciding to distribute a given set of incentives.

"Test for determining whether steps of method claim that do not specifically recite order must nevertheless be performed in order in which they are written requires examination of claim language to ascertain whether, as matter of logic or grammar, steps must be performed in order written, and if not, then remainder of specification is examined to determine whether it directly or implicitly requires narrow construction; principle that number of embodiments disclosed in specification is not determinative of meaning of disputed claim terms, and that claims are not ordinarily limited in scope to preferred embodiment, applies with equal force where limitation to be imported from specification is order of method steps, rather than limitation on specific claim term." Altiris Inc. v. Symantec Corp., 65 USPQ2d 1865 (CA FC 2003). Here neither the claim language, as matter of logic or grammar, nor anything in particular in the specifications require a narrow interpretation as urged by Appellants.

Thus, it is interpreted here that the distribution priorities are equivalent to the selection of a buyer for a certain incentive. That is, if a buyer A is selected for a particular incentive and another buyer B is not, for the same incentive, then it is interpreted that a distribution priority

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has been determined for that incentive, for each buyer, A and B, implicitly based on their scores, such that the priority for A may be 1 and the priority for B is 0 for no receipt of the incentive.

3) Appellants argue at p. 17, 2nd full paragraph that the “incentive level” means a “level of distribution”. Nothing in the claim requires such interpretation. Appellants further argue that once an incentive have been determined to be distributed, then the level of distribution as well as the distribution priority is determined. Again, nothing in the claim requires such interpretation.

Thus the previous rejection of claim 181 is maintained . Some rejections under 102 are changed due to the amendments. “

(10) Response to Argument

a. First Issue on appeal: 35 U.S.C. 102 (e) rejection of independent claims 181, 196, 197, 198 and some of the claims dependent on 181: 183, 185-188, 192-195 as being anticipated by Day.

A. Independent claims 181, 196 and 197:

First, at page 7 of the Brief, Appellants argue Day does not disclose or suggest a distribution priority," as required in the first, fourth and fifth elements of the claims.

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In response, it is noted that "distribution priority" is not required in steps 1 and 4, only in steps 5 and 6 (note that the steps refer to the steps used in breaking up claim 181 for better readability as used in the final Office Action).

Next Appellants characterize column 14, lines 52-56 and column 6, lines 57-60 cited by the examiner as disclosing only a Yes" or No" decision on whether to distribute the incentive at all, based on a maximum quantity per household and not a distribution priority.

However, another definition of "priority" is a "*precedence in exercise of rights in the same subject matter*" (<http://dictionary.reference.com/search?q=priority> citing as source, *Merriam-Webster's Dictionary of Law*, © 1996 Merriam-Webster, Inc)

In Day, for each buyer, for each incentive set for that buyer, a maximum is set below which a distribution is made and above which the distribution stops. Thus in Day, there is clearly a "precedence in exercise of rights" in the same subject matter, that of receiving the continued distributing of the incentive benefit.

That Appellants characterize the Day scheme as only a Yes" or No" decision does not change the fact the buyer's right to the distribution of the incentive is higher ("take precedence") before the maximum is reached.

In other words, for the buyer, the distribution priority is higher when the maximum is not reached (and there is distribution) and lower when the maximum has been reached (when distribution stops).

Appellants also urge that any other definition for distribution priority, different than that urged by Appellants, will not work with the use of the distribution priority in the last step of causing the distributing of a plurality of the incentives, with each incentive distributed "at least in part based on its associated distribution priority for the buyer entity..." However Appellants do

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not convincingly explain why that cannot be. Appellants only conclusively state it does not make sense in the context, and that one of ordinary skill in the art cannot arrive at a distribution priority for a plurality of incentives using “1”s and “0”s.

As explained above, Day does disclose a higher distribution priority (which one might label “1” or “yes”) before a maximum threshold for that particular incentive is reached, and a lower distribution priority (which one might label “0” or “No”). **Such labels do not however change the fact that Day’s disclosure reads on step 5) “determining a particular distribution priority associated with each of the incentives” .** In Day, each incentive has a different maximum threshold based on which the distribution priority changes as explained above. **Clearly the combination of the change in distribution priority coupled with the different maximum thresholds in Day reads on “ determining a particular distribution priority associated with each of the incentives” as claimed.**

Step 6) of “causing the distributing of ... the incentives, with each incentive distributed at least in part based on its associated distribution priority “ is also clearly disclosed by Day as Day clearly teaches determining and using distribution priorities as explained above and then actually distributing the incentives according to those distribution priorities.

At pages 7-8 of Brief, Appellants cite sections [0163] and [0164] of the Specifications but it is noted these sections do not amount to any specific definition of a “ distribution priority”, but only provide examples thereof (note all the “may be used “, “ might be” terms), thus they do not affect the discussion of Day above.

Thus contrary to argument, Day discloses all of claim 181 as discussed above.

Parallel claims 196 and 197 are similarly disclosed. No further arguments are presented as to claims 196-197.

B: Claim 193:

Contrary to the argument (at page 9 of the Brief), Day does disclose an interface which provides access for the advertisers to a database containing purchase record information associated with the buyer entities.

According to dictionary.com (dictionary.reference.com/search?q=interface) , some relevant definitions of “interface” are:

“2. A point at which independent systems or diverse groups interact:

3. Computer Science.

- a. The point of interaction or communication between a computer and any other entity, such as a printer or human operator”*

(underline emphasis added). In Day, at col. 3 lines 65 to col. 4 lines 31, at least “the administrators of the supervisory computer 16”, as a group or human operators, are the interface which allows the advertisers (manufacturers) access (albeit indirect, via them and their computer systems) to databases containing purchase record information associated with the buyer entities so that the advertisers’ offers may be tailored to buyer purchase record information. **Nothing in the claim disallows the interface to be partially human or requires that the access to the consumer database be a direct access.**

C: Claims 194 and 195, (dependent on 193):

Appellants do not offer more arguments why Day does not anticipate these claims except that to essentially state that since Day does not anticipate claim 193 on which these depend,

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therefore Day does not anticipate them either. As to the anticipation of the further limitations of claims 194 and 195, please see the grounds of rejection as stated on page 6 above.

D: Independent Claim 198:

Contrary to argument at page 10 of the Brief, 2nd last paragraph, the features of claim 198 which are common to those of method claims 181, 194, 195, addressed above, are properly rejected on the same basis.

Claim 198 was rejected as follows:

Further Day discloses .. the at least one score being updated based on at least three of an entry of a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases (see at least col.7 line 66- col. 8 line 30: Day's disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data. Further the monitored redemption of offers constitutes all 3 types of data: a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases).

As to the added elements of claim 198, at page 10 of the Brief, last paragraph, Appellants argue Day does not disclose the deriving of a score calculated based on data received from the buyer entity itself. It seems Appellants urge an interpretation that the purchase records are received directly from the buyer entity. However, it is not so claimed.

The relevant claim language cited is "... *purchase records received from the associated buyer entity* (emphasis added)". Since the claim uses the open-ended term "comprising" in the preamble, it also allows interpreting the above cited language as "received indirectly from" the buyers. Day discloses purchase records received indirectly from the buyers via the stores' point of sales and customer identification devices (col. 4 line 46 to col. 4 line 47) thus Day properly discloses the claim.

It is noted also that claim 198 claims “*deriving ..one score... .. the one score.. being calculated based on data corresponding to purchase records received from ... buyer entity, ... the ...one score being .. calculated based on at least three of “ ... several types of data, one data being “ information regarding website visits made by said buyer entity .*

It is hard to see how, as Appellants claim, the buyer can directly submit “ information regarding website visits made by said buyer entity”.

In fact paragraph [0155] of the Published version of the Specifications (PG-Pub # 20030158776) states:

“A further option available is for the buyer entity to enhance its data through it web behavior in order to obtain further enhancements. This option would entail the recording in the database of the present invention of the buyer entity activity on the web. The buyer entity can choose to restrict this to certain categories of sites, such as shopping and product research sites only.”

Such automatic monitoring and collecting of data (via third-part websites, albeit with the buyer’s permission) is clearly not a direct submission of purchases records by the buyer. **Further, since the claim does not claim “received directly from” the buyer, thus the Examiner’s interpretation of “indirect submission” of purchases records is totally appropriate in this instance.**

The last sentence on page 10 of the Brief , arguing about buyers controlling their profiles only argue that which is not claimed.

At page 11 of the Brief, 1st paragraph, the next argument as to claim 198 concerns the “interface”. The discussion as to this element, in claim 193 above applies here as well. As stated above, **nothing in the claim disallows the interface to be partially human or requires that the access to the consumer database be a direct access.**

Claim 198 also claims an interface *“which provides access ... to a database of database information relating to ... buyer entities”* and *“the interface receives queries and provides the database information in response to queries”*. **The scope of the “database information” claimed here is very broad.** The query may be: “Do you have among your buyers loyal buyers of a certain brand”? Day discloses an interface communicating with advertisers providing them answers regarding buyers so they know how to target “loyal” customers differently than “switchers” (col. 3 line 65 to col. 4 line 38).

Thus Day certainly at least suggests that such inquiries, if made, would be responded to with at least a yes or no answer. Thus Day clearly discloses *“an interface “which provides access ... to a database of database information relating to ... buyer entities” and “the interface receives queries and provides the database information in response to queries”*.

Appellants further argue the advertisers can interact with the buyers database but nothing in the cited claimed language nor anywhere else in claim 198 requires such a reading.

Thus claim 198 is clearly anticipated by Day as discussed above.

E. No further arguments are presented as to claims 183, 185-188, 192-195.

b. Second issue on appeal:

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Rejection under 35 USC 103 (a) of claim 182 as being unpatentable over Day as applied to claim 181 in view of Goldhaber, U.S. Patent No. 5,855, 008.

As to Claim 182 (dependent on claim 181), Day does not disclose allowing the buyer to disable the receiving of said data if said data not received directly from the buyer, however GOLDHABER does (see GOLDHABER at least col.6 lines 50-65: interactive user editing /deletion of transaction records from profile).

It would have been obvious to one skilled in the art at the time the invention was made to add GOLDHABER submission of purchase records (by deletion/editing) by the user directly into the incentive matching system of Day to allow control of the profile by the buyer as well as to ensure her privacy as taught by GOLDHABER (col 7 l. 62-67;col 14 l. 137 –39).

Appellants' main argument is that Goldhaber does not disclose "*allowing the buyer entity associated with said data to disable the receiving of said data if said data is not received directly from the buyer entity.*"

Appellants agree that in Goldhaber, the consumer can remove certain transactions from his or her profile (col.6 lines 50-65) but argues she does not have the right to disable the capturing by the system of such purchases. It is argued GOLDHABER 's deletion of records after the fact from the buyer entity profile is different from disabling the receipt of such data in the first place.

However, nothing in claims 181 and 182, requires disabling the receipt of such data in the first place.

Independent claim 181 claims at step 3) "*deriving ..one score... .. the one score.. calculated based on at least one of the following data associated with buyer entity: ...*

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...third party database information relating to the buyer entity, information regarding website visits made by said buyer entity” .

Thus a reasonable interpretation is that automatic collection of 3rd party websites data about the buyer is allowed first.

Then claim 182 states that the “.. *score is calculated based on said data*” and “allowing the buyer .. to disable the receiving of said data if said data is not received directly from the buyer entity”.

With the use of the open-ended “comprising” in the preamble of claim 181, and with “data” commonly meaning many pieces of information, nothing in claims 181 and 182 forbids collection first of many of the buyer’s data, then intervention by the buyer, as in GOLDHABER , to disable receipt into the “permitted” buyer profile, of some of “said data”.

In fact the use of “ *to disable*” in “*allowing the buyer .. to disable the receiving of said data if said data is not received directly from the buyer entity*” seems to connote that the buyer has the capability of “impairing the physical abilities of” (a definition of “ *to disable*”) the system to receive data after the system initially had the capability of receiving such data in the first place as allowed by claim 181, and as is done in GOLDHABER.

Further, in claims 181 and 182, it is not claimed which part of the system receives the data, to which the receiving is disabled. It is therefore reasonably interpreted that the part of the system which uses the data received to calculate the score (which in turn determines the incentives) is the part to which the receiving is disabled.

In GOLDHABER , that part of the system would be the edited buyer profile database.

Thus, even if the GOLDHABER buyer cannot disable the receiving initially of the data into the whole system, as argued, the GOLDHABER buyer, by deleting unwanted data, in effect disables the receiving of the data, into the system consisting of the edited buyer profile database. The deleted data is in effect “the data that is not received directly from the buyer entity” since the buyer refuses permission to it.

Thus Goldhaber reads on allowing the buyer to disable the receiving of said data if said data is not received directly from the buyer.

Thus DAY in view of GOLDHABER properly disclose claim 182.

c. The third issue on appeal:

Rejections under 35 USC 103 (a) of claims 184, 189, 220-223 as being unpatentable over Day, U.S. Patent No.6,484,146.

A. Claim 184:

This claim was rejected under 35 USC 103 (a) as being unpatentable over Day.

During prosecution it was stated:

Claim 184 (dependent on claim 181).

Day does not specifically disclose the at least one score is indicative of a probability that the associated buyer entity will become a customer of the advertisers. However Day discloses “targeting parameter”, interpreted as a calculated score, based on actual purchases as discussed above (see at least col.4 lines18-31). Further Day discloses evaluating (scoring)a customer’s loyalty to a competitor based on his/her quantity and/or frequency of purchases from the competitor (see at least col.4 lines 18-31: e.g. buying “80% of the time”) with the intent of offering specific incentives to entice such customers away from the competitor (see at least col. 4 lines 13-31). In view of these Day teachings, it would have been obvious to one of ordinary skill in the art, at invention time, to add calculating the probability that the buyer may become a

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customer of the advertisers (for example a “80% of a time buyer” may be viewed as a 20% potential switcher) to Days’ teachings because such probability expressions would be just another way to express the “target parameters” as taught by Day, based on which to fashion such specific incentives, also as taught by Day.

No arguments were presented as to this claim.

B. Claim 189:

Claim 189 was rejected under 35 USC 103 (a) as being unpatentable over Day (not in view of GOLDHABER as stated on page 12 of the Brief).

During prosecution it was stated:

Claim 189 (dependent on claim 181).

Day does not specifically disclose the incentives are selected manually. In view of Day’s teachings of automatic selecting/dispensing of incentives, it would have been obvious to one of ordinary skill in the art, at invention time, to revert to the slower process of doing all these steps manually, if the system lacks the capability to so process automatically. The result is the same, as expected, albeit slower...

References must be evaluated for all that they fairly suggest and every reference relies on the knowledge of those of ordinary skill in the art to complement that which is disclosed. Note *In re Bozek*, 163 USPQ 545 (CCPA 1969), *In re Bode*, 193 USPQ 12 (CCPA 1977), *In re Jacoby*, 135 USPQ 317 (CCPA 1962).

The level of skill in the art at invention time certainly include manual selecting and dispensing of incentives. Thus Day in view of this level of skill in the art at invention time, as discussed above, properly discloses claim 189.

Contrary to argument at page 12 of the Brief, last paragraph, Day discloses “distribution priority” (see discussion of claim 181 at page above). The rest of the arguments on page 12

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either argue limitations that are not claimed or have been addressed in the discussion of claim 181.

C. Claims 220-223:

Claims 220-223 (dependent on claims 181, 196-197, 198) were rejected under 35 USC 103 (a) as being unpatentable over Day (not in view of GOLDHABER as stated on page 13 of the Brief).

As to these claims, Day does not directly disclose the distribution limit being a monetary budget limit though Day teaches a coupon maximum quantity limit per customer household (column 14, lines 52-56 and column 6, lines 57-60). Day also discloses "offers of varying degrees" (col. 4 line 6) thereby at least suggesting monetary amounts behind the offers or coupons. It would then be obvious behind Day's coupon maximum distribution limit per customer is a monetary coupon expenses limit (or budget) per customer which is equivalent to the quantity limit (e.g. a product of the monetary value per coupon times the maximum quantity of coupons for that customer). Thus it would have been obvious to one skilled in the art at the time the invention was made to add a monetary limit to the distribution limit as a logical derivative of the Day's disclosure or simply to express Day's disclosure of maximum quantity in equivalent terms.

At page 13 of the Brief, last paragraph, to page 13 2nd full paragraph, in contrasting the claimed monetary budget value to the Day's budget expressed in terms of maximum coupon quantity value, Appellants argue system functional differences, allowance of variable pricing, and other features such as greater flexibility of optimal distribution channel choices, and other control factors. However all these features are not claimed, therefore irrelevant.

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e. Fourth issue on appeal: No such was listed, (this seems to be a typographical error), Appellants' order for the remaining issues on appeal will however be followed.

d. Fifth issue on appeal:

Rejections under 35 USC 103 (a) of claims 191, 201-202 as being unpatentable over Goldhaber, U.S. Patent No.5,855,008, in view of Weinblatt U.S. Patent No. 5,515,270, and further in view of Day, U.S. Patent No. 6,484,146.

A. Claims 201-202:

Independent Claim 201:

As stated during prosecution, Goldhaber discloses:

A consumer driven system (i.e. consumer owns the profiles : col 14 l. 56-60; col 6 l. 28-35; consumer shares these profiles as desired: col 8 l. 40-57), via trading houses (see col 19-20) , for the benefit of both consumers and advertisers (col 4 l. 25-31).

The benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized and specialized ads/offers. GOLDHABER further discloses actual purchase histories(or proofs of purchases, hereinafter, "POP's") are known to be valuable for advertisers: to this end advertisers have used point of sale tracking (see GOLDHABER, col 6 l. 28-35), and GOLDHABER 's invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

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GOLDHABER discloses user voluntary submission of profiles (Fig. 7 and associated text; col. 12 line 15 –col 14 line 62) in exchange of a benefit from plural competing independent providers(col 8 l. 1-18; receipt of targeted information, specialized targeted ads (col 6 l. 28-35; col 8 l. 22-40), payments for viewing ads); complementing the profile by allowing tracking of on-line behavior including on-line transactions (POP's) (col 6 l. 50-65; col 13-20; col 7 l. 31-32) and tracking of other habits (col 6 l. 50-65) ; interactive user editing/ deletion of transaction records from the profile (col 6 l. 50-65; col. 19 lines 1-5); protection of privacy (col 7 l. 62-67; col 14 l. 137 –39);

possible direct access by advertisers into the buyer databases (col. 6 lines 40-49);

user interacting with presented ads (col. 16 l. 17-20) ; rating of presented ads (col. 13 l. 50-51); matching of consumers to advertisers criteria (col 14 l. 30-46);

consumer profiles stored at their PC or in another database of the on-line system (col 14 l. 47-54); only information matched above certain threshold set by the consumer is delivered (col 14 l. 56-62); coupons and discount offers to induce buying (col 3 l. 30-45); internet advantages (col 3 l. 48-55); credit histories as commodities (col 20 l. 38-55).

Thus as to claim 201 GOLDHABER discloses

A method comprising:

receiving information from each of a plurality of buyer entities (see Fig. 1, many consumers) comprising at least one of ...demographic information (see at least Fig 7 and associated text; col 6 l. 28-35) ;

receiving from each of the buyer entities second information associated with one of manual input demographic information (see at least Fig 7 and associated text; col 6 l. 28-35) ; web-

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browsing input (complementing the profile by allowing tracking of on-line behavior including on-line purchase transactions (POP's) (col 6 l. 50-65; col 13-20; col 7 l. 31-32) and tracking of other habits (col 6 l. 50-65) ;

electronically storing such information (see at least Fig 7 and associated text; consumer profiles stored at their PC or in another database of the on-line system : col 14 l. 47-54) ;

for a plurality of product or service items offered for sale, electronically deciding on and facilitating offering an incentive in exchange for a purchase action (coupons and discount offers , as offered in GOLDHABER, see at least col 3 l. 30-45, to induce buying, are normally based on conditional purchases).

At page 16 of the Brief, it is argued col. 8 lines 20-39 of GOLDHABER are not enabling as prior art. It is surmised Appellants require more flow charts or source code listings. However, “[a]s a general rule, where software constitutes part of a best mode of carrying out an invention, description of such a best mode is satisfied by a disclosure of the functions of the software. This is because, normally, writing code for such software is within the skill of the art, not requiring undue experimentation, once its functions have been disclosed. . . . [F]lowcharts or source code listings are not a requirement for adequately disclosing the functions of software.” *Fonar Corp v. General Electric Co.*, 41 USPQ2d 1801, 1805.

Further “ ... lack of diagrams, flow charts, and source codes in prior art publications did not render them non-enabling, in view of fact that Appellants' own specification fails to provide such detailed information and that one skilled in art would know of equipment and techniques to be used. *In re Epstein*, 31 USPQ2d 1817 (CA FC 1994).

It is not clear in this instance, and Appellants have not pointed out, that Appellants' own disclosures are more enabling than GOLDHABER 's .

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It also seems Appellants argue claim 201 requires transferring purchase records across systems but such is not claimed.

It is also argued no receiving of third party purchase records is disclosed. However, Claim 201 does not required receiving third party purchase records, only of demographic information, with the use of *“receiving... comprising at least one of: ... third party .. records.. ; and demographic information”*.

It is noted however, (contrary to argument, at page 16, last paragraph of the Brief), GOLDHABER does disclose receiving third party purchase records, at least indirectly from the buyers, which is allowed by the claim language of

“receiving information from each of a plurality of buyer entities” coupled with the open-ended term “comprising” in the preamble which allows receiving via intermediaries

In GOLDHABER , tracking/collecting of on-line behavior including on-line purchase transactions records (POP’s) (see at least col 6 l. 50-65: “purchase of certain products” ; “ delete ...transaction records” ; “transaction history”) is done , then the buyer actively restrict submission of certain data only

Thus, based on this interpretation of the claim language, GOLDHABER discloses all limitations of claim 201, contrary to argument at pages 15-16 of the Brief.

However, if it is deemed submission of third party purchase records directly by the buyers is required in claim 201, then WEINBLATT adds the capability of directly submitting POP’s by the buyer’s scanning of store receipts. The proper motivation to combine WEINBLATT was discussed during prosecution and again in more detail at pages 36-37 below, in connection with discussing claim 202.

Claim 202 (dependent on claim 201):

In claim 202,

“..the manufacture, marketing, distribution, and payment and providing are not carried out by the system in the ordinary course of business”

“ refers to the items or products that are the subject of the incentives proffered onto the buyers.

Interpretation of the Phrase:

“..the manufacture, marketing, distribution, and payment and providing are not carried out by the system in the ordinary course of business”.

It is not clear what the “system” consists of since it is a very broad term, only mentioned in the preamble claim 201 with no additional further system elements defined.

Since the scope of the system is unclear, it is also unclear what “the ordinary course of business” of such system involves. A search of the Specifications does not reveal what that phrase means.

It is thus interpreted that the system of Goldhaber which consists of several buyers interfaces 104 (see Figure 1), a network such as the internet, several advertising/incentives broker (or trading house) servers 106, and the consumer profiles stored at their PC or in another database of the on-line system (col 14 l. 47-54) would constitute such a system (see discussion at col. 9 lines 32-67). This system is heretofore referred to as the Goldhaber “incentives/ profile matching system”


In GOLDHABER , the many advertisers who have access to these profiles, directly or indirectly, via the Internet, i.e. via “hundreds of competing, independent and widely distributed

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sources” (see col. 4 lines 1-10) are interpreted as not being part of this system “incentives/ profile matching system”.

In particular the “*small mom-and-pop businesses and specialized low-tech cottage industries—for example, someone who repairs antique violins—*” remotely connected to such system and who may “*reach customers for the first time*” through “[h]ighly targeted, localized, low-volume advertising” (GOLDHABER, col. 6 lines 20-39) are not part of this system.

Thus their “*localized, low-volume advertising*” is clearly to promote items “*..the manufacture, marketing, distribution, and payment and providing of [which] are not carried out by the (GOLDHABER incentives/ profile matching) system in the ordinary course of business*”.

It is so first, because, it cannot be said that the GOLDHABER matching system markets any particular item in the “ordinary course of business” since it markets myriads of items thus no item would be an item marketed in the “ordinary course of business”. Second, because, rare items(e.g. *repairs services for antique violins* that ... “*...eventually*” only ... can reach the consumer “*for the first time*” via the work of “*...local entrepreneurs who would  set themselves up as independent agents to service their community and local businesses ...*”) (see GOLDHABER, col. 6 lines 20-39) are by their very rarity not marketed in the “ordinary course of business”.

Thus at least ads/ incentives from GOLDHABER’s “small mom-and-pop businesses” clearly are for items not “marketed, distributed, and paid for and provided by the system in the ordinary course of business”.

Thus upon closer consideration, GOLDHABER discloses all of claim 202.

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All the arguments, at page 17, 1st paragraph, of the Brief, are either resolved with the interpretation of the claim language of claims 201-202 as discussed above, or Appellants argue that which is not claimed, such as consumers capturing and submitting purchase records for profiling purposes.

Though not needed for claims 201-202, it is also noted that contrary to argument, GOLDHABER does disclose consumers submitting (at least indirectly) purchase records for profiling purposes (see at least col 6 l. 50-65: “purchase of certain products”; “delete ... transaction records”; “transaction history”;

(As noted during prosecution, GOLDHABER is a buyer-driven system (i.e. consumer owns the profiles : col 14 l. 56-60; col 6 l. 28-35; consumer shares these profiles as desired (col 8 l. 40-57), for benefits or expectation of some, via trading brokers : (see at least col 8 l. 40-57), all this for the benefit of both consumers and advertisers (col 4 l. 25-31)) .

It is noted that GOLDHABER 's buyer-driven system provides exactly the tools to achieve Appellants' invention purpose as stated at paragraph [0129] of the Published version of the Specifications (PG-Pub # 20030158776) :

“This is important for the present invention, for the reasons mentioned previously: the buying entity has physical access to their purchase records online and can—thru the use of buyer-driven targeting—use this information to its advantage in its dealings with competing businesses: it can do so, without the consent of the companies which sold the products.... Whatever technology is used to provide the purchase statements, the common denominator of the various ways for receipt of a buyer's purchase history is that this process is done on the initiative and with the consent of the buying entity and in exchange for an incentive or the expectation of an incentive or a benefit.”)

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As stated above, GOLDHABER discloses all the limitations of claims 201- 202 because submission of third party records is not required in claims 201-202 , contrary to argument at page 19 of the Brief.

However, even if direct submission by the buyers of third party records is required by the claims, Weinblatt adds to GOLDHABER the capability of directly submitting POP's by the buyer scanning of store receipts.

The motivation to add WEINBLATT to GOLDHABER is discussed during prosecution as follows:

Further, Weinblatt, discloses several data collection methods for marketers who desire to collect actual purchase histories. One is via a bar code reading apparatus, (col 1 l. 56+); another is via in- store computer systems (col 2, l. 13+), a third is via a home unit wherein proofs of purchases (POP's) are scanned by the consumer and the different purchase items categorized and used to trigger rewards (col 4 l. 59+). Weinblatt also discloses that people are interested to directly and voluntarily submit their POP's in exchange for rewards (col 4 l. 59+).

As discussed above, GOLDHABER discloses, through his system, the benefit to consumers is to receive competing content/ads customized to their needs/preferences. To advertisers, use of consumer profiles allow reaching more willing customers whose attention has been secured with relevant customized ads/offers. GOLDHABER further discloses "POP's" are valuable for advertisers who have used point of sale tracking (see GOLDHABER, col 6 l. 28-35), and GOLDHABER's invention includes on-line POP's (col 6 l. 50-65; col 13-20; col 7 l. 31-32).

It would have been obvious to one of ordinary skill in the art, at invention time, to add WEINBLATT's teaching of directly submitting POP's by scanning into a home unit to GOLDHABER's system of voluntary submission of profiles including POP's profiles, because the consumer would be interested in obtaining highly competitive offers based on POP's (a kind

of reward or benefit), as taught by GOLDHABER. Further, it would have been obvious to one of ordinary skill in the art at invention time to incorporate the WEINBLATT's POP's submission method into GOLDHABER's system in view of WEINBLATT's teaching that this is another and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36).

Appellants' attack of the motivation to combine GOLDHABER and WEINBLATT is in error.

In response to the arguments at pages 17-19 of the Brief, against WEINBLATT, it is noted that “[d]isclosed examples and preferred embodiments do not constitute a teaching away from a broader disclosure or non-preferred embodiments. *In re Susi*, 169 USPQ 423 (CCPA 1971). Thus the preferred embodiments of WEINBLATT cited by Appellants do not deflect from its broader disclosure, not incompatible with GOLDHABER's, that directly submitting POP's by scanning into a home unit is another and less expensive way to collect POP's which are valuable to marketers (Weinblatt, col 2 l. 13-36).

As to the further attack on the motivation to combine as failing a prima facie case, it is noted “[law]of obviousness does not require that references be combined for reasons contemplated by inventor, but only looks to whether some motivation or suggestion to combine references is provided by prior art taken as whole. “*In re Beattie*, 24 USPQ2d 1040 (CA FC 1992). Such adequate motivation is provided as set forth above.

At other instances, (see e.g. page 15, first full paragraph of the Brief), Appellants also seem to argue that because Weinblatt has a different purpose than the Appellants' invention applying WEINBLATT as prior art is inappropriate. However, “[t]he use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain.” *In re Heck*, 216 USPQ 1038 (Fed. Cir. 1983)“A reference may be relied upon for all that it

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would have reasonably suggested to one having ordinary skill in the art, including non-preferred embodiments. "Merck & Co. Inc. v. Aircraft Laboratories Inc., 10 USPQ2d 1843 (CA FC 1989) Rejections may be based on prior art teachings phrased in terms of a non-preferred embodiment or as being unsatisfactory for the intended purpose. *In re Boe*, 148 USPQ 507 (CCPA 1966).

B. Claim 191 (dependent on claim 181):

At page 14 last paragraph of the Brief, contrary to argument, an incentive function that calculates a particular number to indicate a distribution amount, "determining a particular distribution priority associated with each of the incentives," and the method step of the actual distribution of each incentive based on its associated distribution priority for the buyer entity" are disclosed by Day and already discussed in connection with claim 181 on which claim 191 depends(see last Office Action pages 4-5, and also above at pages 3, and 17-19). The motivation to combine Day and Goldhaber was addressed when discussing claim 182 (which also depends on claim 181) (see last Office Action page 9 and also above at page 8).

2) At page 15, first full paragraph of the Brief, it is argued, as to the items or products that the incentives aim to promote , that neither Goldhaber or Weinblatt disclose that "*..the manufacture, marketing, distribution, and payment and providing of [such items or products] are not carried out by the system in the ordinary course of business*".

It is first noted claim 191 is a claim dependent on method claim 181 in which no system was defined. Thus the scope of "the system" in claim 191 is unclear.

Further, as claim 191 has the same limitation as claim 202, the discussion of claims 201-202 above applies here as well.

Claim 191 is thus disclosed on the same basis as claims 201-202, as discussed above.

e. Sixth issue on appeal:

Rejection under 35 USC 103 of claims 203-208, 209-218 as being unpatentable over Goldhaber, in view of Weinblatt as applied to claims 201-202 and further in view of Day, U.S. Patent No.6,484,146.

A. Claims 203-204:

During prosecution, it was stated :

As to claims 203-204, as to “said benefit not normally and publicly accessible to said buyer entity or other buyer entities in the same geographic region on terms which are at least objectively equivalent” GOLDHABER does not directly disclose such.

However, Goldhaber discloses specialized targeted advertisements from each of the plurality of said different third party advertisers, (abstract, col 8 l. 35-40: highly targeted advertising; col. 6l. 28-35; col 8 l. 22-40).

Further Day discloses presenting customized preferential specialized benefits based on actual purchasing behavior information (abstract). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers (col 1 l. 50-55; col 2 l. 13-15; at col 2 l. 12). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal (col. 1 l. 60-col 2 l. 2).

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It would have been obvious to one of ordinary skill in the art at the time the invention was made to add Day's teachings of very differentiated customized special offers based on actual purchasing behavior information (Day, col 8 l. 1-15; col.3 line 65 to col. 4 line 38) to Goldhaber's teaching of voluntary supplying of POP's to provide very differentiated competitive offers (col. 1 l. 60-col 2 l. 2) and better induce purchasing based on specific monitored behaviors as taught by Day (col 1 l. 50-55; col 2 l. 13-15; at col 2 l. 12).

Further, as to "said benefit do not include material conditions that are different from said at least one action", a coupon usually requires only purchase of the item as the one condition, thus "said benefit do not include material conditions that are different from said at least one action".

At page 20 of the Brief, Appellants argue Day's offers are not " preferential" as defined by the claims.

However, first, the claim limitation is confusing, It is not clear what "on terms which are at least objectively equivalent" means. A search of the Specifications does not reveal a clear meaning. It is only found that the terms "preferential" was used in describing the benefits offered. Thus "on terms which are at least objectively equivalent" is interpreted as "objectively considered".

Second, Appellants are unconvincing why the specialized offers of Day are different from the claimed preferential offers.

Day's special benefit targeted to a particular customer based on that customer particular profile (purchasing history and otherwise) is "a benefit which is not normally and publicly accessible to the other buyer entities in the same geographic region" since only that customer and none other receives that particular benefit. Contrary to argument, Day does not suggest 2 buyers with the same buying profile would get the same benefit since other factors are taken into account as well. For example Day discloses that the offer increases based on the reaction of the buyer to the initial offer (col. 7 line 66 to col. 8 line 15). Since more likely than not each buyer would react differently, therefore at least the follow-up offers would be "a benefit which is not normally and publicly accessible to the other buyer entities in the same geographic region", objectively considered.

Day's targeted special benefits are also clearly preferential (meaning discriminatory or partial to or advantageous) since one buyer would get them while others are deprived thereof.

Third, nothing in the claims require most that is argued on page 20 of the Brief. Appellants do not show how the claim language matches up with all that Appellants seem to require that the prior art have to meet.

Further, even if Day does not have the same purpose to encourage submission of POP's since as argued because its system already collects such POP's, nonetheless its offers are preferential ones. Appellants have not cited any legal requirement requiring a prior art reference to disclose certain facts for the same purpose as contemplated by Appellants. Even the "[l]aw of obviousness does not require that references be combined for reasons contemplated by inventor, but only looks to whether some motivation or suggestion to combine references is provided by prior art taken as whole. "*In re Beattie*, 24 USPQ2d 1040 (CA FC 1992).

Even if Day's preferential offers are "of necessity limited" as argued, in the Coca-Cola example, nonetheless, Day discloses exactly the claimed preferential offers.

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As to the argument that the Day and GOLDHABER involve different systems that would be awkward to combine, “[f]act that two disclosed apparatuses would not be combined by businessmen for economic reasons is not same as saying that it could not be done because skilled persons in art felt that there was some technological incompatibility that prevented their combination; only latter fact is telling on nonobviousness issue. *“Orthopedic Equipment Company, Inc. et al. v. United States*, 217 USPQ 193 (CA FC 1983).

Next, on page 20, Appellants argue GOLDHABER does not disclose submission of proofs of purchases. As explained above, GOLDHABER actually does, since “submission of proofs of purchases” is not specifically defined. Thus GOLDHABER’s active deletion/editing of online proofs of purchases read on “submission (albeit indirect) of (online) proofs of purchases”

Thus Goldhaber, in view of Weinblatt as applied to claims 201-202 and further in view of Day, properly disclose claims 203-204.

B. Claims 205-208 (dependent on claims 201-204):

Claims 205-208 were rejected under 35 USC 103(a) as being unpatentable over Goldhaber, in view of Weinblatt as applied to claims 201-202 and further in view of Day.

During prosecution it was stated:

*As to claims 205-208 (dependent on claims 201-204),
wherein the making at least one decision further includes :*

*determining a function and distribution-related limit associated with one of the incentives
based in part on information received from an advertiser*

*receiving newly-submitted purchase records of the buyers with condition precedent that
the function and distribution-related limit has been determined;*

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*making a new decision regarding the offering,
said new decision based at least in part on the function, the distribution-related limit,
and the newly-submitted purchasing records;
distributing the incentive based at least in part on the new decision; and
halting the distribution when the distribution-related limit is met.*

GOLDHABER does not specifically disclose but Day discloses obtaining additional information on whether the buyer entity made a follow-up purchase or a co-purchase contemporaneous with or after accepting the incentive and inputting the additional information to be stored. (monitoring of redemption of offers, and updating of profiles (Col. 14 l. 52-64, Fig 12-14; claims 15, 22). It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber is to determine the effect of the special offers on consumer buying behaviors and adjust offers accordingly as taught by Day.

At pages 21-22 of the Brief, it is argued GOLDHABER does not specifically disclose a forward-looking process that reacts and automatically and electronically makes a new decision regarding the offering. It is agreed GOLDHABER does not so disclose.

However, contrary to argument, in addition to the features disclosed as discussed above, Day discloses means (the computer system 10 of Figure 1) to automatically increase the offer (obviously a new decision is thereby made) based on the reaction of the buyer to the initial offer (col. 7 line 66 to col. 8 line 15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to add this particular feature of Day to Goldhaber to determine the effect of the special offers on consumer buying behaviors and adjust offers accordingly to achieve the desired results as taught by Day (e.g. col.8 lines 9-12: luring a loyal customer of a competitor by increasing the incentive if the customer did not respond to the initial offer).

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Further it is irrelevant that the claimed process is called forward-looking since it does not do any more than what Day discloses.

At pages 22-23 of the Brief, it is argued, GOLDHABER does not disclose entry of third party purchase records into a consumer database. As discussed at length above, at page 33+, GOLDHABER certainly does so disclose. Contrary to argument, GOLDHABER's involves not only profiling through questionnaires and only tracking only, but specifically discloses, as discussed above, consumers actively deleting/editing online purchase records before allowing particular data only to enter the database for profiling purposes.

Further, Day surely discloses purchase records that are captured by the POS systems. Since in Day, competing manufacturers can use records of purchases of other manufacturers, clearly these records are "third party purchase records".

At page 23 of the Brief, last paragraph, it is argued again adding WEINBLATT, which provides direct submission by buyers of 3rd party POP's is error. Adding WEINBLATT and the motivation thereof are already discussed above at pages 36-37.

Thus Goldhaber, in view of Weinblatt as applied to claims 201-202 and further in view of Day, properly discloses claims 205-208.

C. Claims 209-212 (dependent on claims 201-204):

Claims 209-212 were rejected under 35 USC 103(a) as being unpatentable over Goldhaber, in view of Weinblatt and further in view of Day.

"As to claims 209-212, GOLDHABER discloses wherein the making at least one decision further includes providing access to potential-audience-information (Goldhaber's system provides access to advertisers to customer purchases

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and other information) containing at least part of the data or information derived from the data to at least one of the third party advertisers via an interactive user interface (see at least col. 4 lines 25-31 ; col. 19-20), (see col. 6 lines 40-49: potential access by advertisers to customer databases)

receiving audience -definition-information (interpreted as desired customers profile criteria; see col.14 lines 30-46: matching consumers to advertisers criteria)
and incentive-definition-information (interpreted as advertisers incentives to be distributed) from third party advertisers (col. 3 lines 30-45);

selecting/presenting output-information to the advertisers based on the potential audience-information, the audience and incentive-definition-information (col.14 lines 30-46: matching consumers to advertisers criteria; col.19 lines 21-37 talk about sellers agents seeking out interested buyers i.e. GOLDHABER thereby discloses selecting/presenting output-information (list of matching interested buyers) to advertisers

receiving parameter information (for example on such parameter to the advertisers or sellers “agents” is : screen out all buyers that have been previously provided to avoid duplications, see col. 20 lines 10-28) from the third party advertisers,

and making the at least one decision in part based on the parameter information (see at least col. 19 line 22 to col.20 line 35: GOLDHABER discloses sellers’ or advertisers’ “agents” working in reverse to buyers’ agents to find matching buyers based on all the above criteria, thereby “making a decision” and filing reports about the matches).

Appellants provided an example illustrating the various limitations of this claim, however, Appellants disclosure is but one example. Many scenarios read on the broad terms, especially the data characterizing terms, used in this claim, as shown above.

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Thus Goldhaber, in view of Weinblatt as applied to claims 201-202 and further in view of Day, properly disclose claims 205-208.

D. Claims 213-214:

Claims 213-214 were rejected under 35 USC 103(a) as being unpatentable over Goldhaber, in view of Weinblatt, Day, and an Official Notice.

During prosecution it was stated:

"As to claims 213-214, Official Notice is taken that targeting based on location of a user wireless device is known before Appellants' invention time thus it would have been obvious to one skilled in the art at the time the invention was made to add basing the incentive decision on the location of wireless device because directing consumers to relevant businesses proximal to their current locations is effective marketing."

MPEP 2144.03 c) states:

"To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also Chevenard, 139 F.2d at 713, 60 USPQ at 241.

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, ...

the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or..the traverse was inadequate."

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The Official Notice was that (incentives) targeting based on location of a user wireless device was well-known before Appellants' invention time. Appellants did not state why the noticed fact is not considered to be common knowledge or well-known in the art as required by MPEP 2144.03. Appellants only state that "applicants traverse/challenge these official notice statements" and require references in support; All other arguments at page 26 of the Brief, 2nd full paragraph, such as use of the Officially noted facts in the context of receiving POP's only question the motivation to combine and do not meet the requirement for challenge as set forth above either. Therefore the challenge is inadequate and the statement is taken as admitted prior art.

Though not required, as explained above, Fano, US 6317718 B1 is hereby supplied as support for the Official Notice and does not constitute a new ground of rejection. The Fano abstract states:

"An agent based system utilizes a Personal Digital Assistant (PDA)-based, Global Positioning System (GPS)-enabled information gathering agent to create a customized offer information summary based on the location of a user and one or more items of interest. One or more items of interest are obtained from a user. The physical location of the user is determined. A query based on the items of interest and the physical location of the user is then created. A network of information is queried utilizing this query. A customized offer is received from a retailer-based agent in response to the query. The customized offer information associated with the items of interest and their locations relative to the physical location of the user is displayed."

For support to the previously given motivation to combine the Official Notice "... because directing consumers to relevant businesses proximal to their current locations is effective marketing.", see Fano at col. 2 lines 21-25 which states the same known marketing principle:

"However, the explosive growth in the use of laptops and Personal Digital Assistants (PDAs) signals an important change. As we begin to find ourselves bringing our PDAs and laptops everywhere we go, the particular locations we use

them will increasingly reflect an important part of our current context. Furthermore, a user's precise location can now be passively and unambiguously obtained by software through the use of Global Positioning System (GPS) receivers. Such receivers are becoming increasingly affordable and compact. Some are now available as PCMCIA cards. In a system in accordance with a preferred embodiment, the user's location is used in a very different way. Rather than defining the problem, the user's location is a crucial piece of data that can be used to inform and constrain the information gathering task. There is now a business and consumer need to enhance the effectiveness of shoppers through the utilization of location information."

Thus Goldhaber, in view of Weinblatt as applied to claims 201-202, in view of Day, and the Official Notice properly disclose claims 205-208.

E. Claims 215-218 (dependent on claims 201-204):

Claims 215-218 were rejected under 35 USC 103(a) as being unpatentable over Goldhaber, in view of Weinblatt, Day and an Official Notice.

During prosecution it was stated:

"As to claims 215-218 (dependent on claims 201-204), regarding distribution of the incentive via interactive TV, Official Notice is taken that such incentive distribution method is well-known. It would have been obvious to one skilled in the art at the time the invention was made to add distribution of the incentive via interactive TV to the system of Goldhaber to extend the methods of distribution."

The Official Notice was that *distribution of the incentive via interactive TV* was well-known before Appellants' invention time. Appellants did not state why the noticed fact is not considered to be common knowledge or well-known in the art as required by MPEP 2144.03 in

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their arguments at page 26 of the Brief, last full paragraph, to page 27. Appellants only state that “applicants traverse/challenge these official notice statements” and require references in support; All other arguments at page 26 of the Brief, last full paragraph, only question the motivation to combine and do not meet the requirement for challenge as set forth above by MPEP 2144.03. Therefore the challenge is inadequate and the statement is taken as admitted prior art.

Though not required, as explained above, the following references are hereby supplied as evidence that distribution of the incentives via interactive TV is well-known. Any one of these references would support the taking of Official Notice as proper. They do not constitute new grounds of rejection.

Clarke , US 5502636 A, discloses a personalized coupon generating and processing system which includes a coupon dispensing source that communicates with responsive consumers through a communications interface, which can be cable and broadcast television advertising offering coupons for specific products and “aired to a specific target profile demographic area”. (see abstract, Figure1 and associated text, col. 2 lines 30-41).

U.S. Pat. No. 5,285,278 to also teaches a television-based coupon reception system. Coupon information is encoded into a television broadcast signal and decoded at the consumer's television by circuitry similar to that used for closed-caption broadcast decoding. The extracted coupon information is then recorded on a medium such as a magnetic stripe card or a microprocessor-based "smart card". The user can then present the medium at the supermarket in order to automatically receive the appropriate discount.

U.S. Pat. No. 5,249,044 to Von Kohorn describes a television-based coupon reception system wherein coupon information is transmitted along with program information to a

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broadcast audience. A member of the audience can generate a coupon for subsequent redemption at a store.

The consumer uses a signaling device (such as a key pad controller for a set-top box) to enter an offer code for the item or service desired and a household identification code. That information is stored, then later transmitted in a data packet to a single broadcast location. Subsequently, a return signal from the single broadcast location generates, via a printer device interfaced with the television and set-top box, a coupon or other reward. This method would enable consumers to self-select preferred rewards for products and services.

The motivation to combine distribution of the incentive via interactive TV to the system of Goldhaber, stated during prosecution as “to extend the methods of distribution”, is at least echoed in Von Kohorn at col. 1 lines 8-21, to reach “individual members of the broadcast audience being potential shoppers or customers”... “in remote locations, such as their homes” as an improvement over and in addition to other traditional means of distribution.

Thus Goldhaber, in view of Weinblatt as applied to claims 201-202, in view of Day, and the Official Notice properly disclose claims 215-218.

f. Seventh issue on appeal: Rejection under 35 U.S.C. 103(a) of claim 219 as being unpatentable over Goldhaber, in view of Weinblatt and Day, as applied to claim 204 and further in view of Dedrich, US 5717923.

As to claim 219 (dependent on claim 204), GOLDHABER, WEINBLATT or Day do not but Dedrich discloses calculating price for offering the incentive based on information stored about the buyer.

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Indeed, in Dedrich consumers with a desired certain profile gets higher credits (higher “pricing hierarchy”) for watching advertisements. (col. 11 line 45-61). Conversely advertisers are billed (see Figures 4, and 7b item 218 and associated text; col.11 lines 62- col. 12 line 6) at the higher “pricing hierarchy” based on the target user profiles desired, requested , provided and who actually consumed the ads/incentives(see e.. col. 12 lines 6-34).

Thus, for a particular ad to be delivered, based on the particular audience, Dedrich’s system implicitly calculates a price for the ad, thus Dedrich reads on the above limitation of claim 219 .

It would have been obvious to one skilled in the art at the time the invention was made to add Dedrich to Goldhaber and Weinblatt to allow charging the advertisers appropriately based on a price hierarchy that takes into account the value of the target user to the advertiser, as taught by Dedrich.“(col. 11 line 45-61).

Thus Goldhaber, in view of Weinblatt, Day, and Dedrich, properly disclose claim 219.

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(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Khanh H. Le

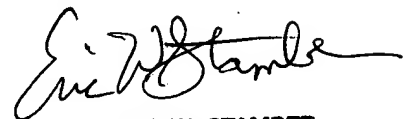
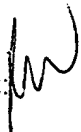
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